

AGENDA: April 22, 2003

5.1

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: Planned Community/Provisional Use Permit—
303 Bryant Street

RECOMMENDATION

That the City Council provide direction on the conversion of ground-floor retail space to office within Area H of the Downtown Precise Plan District.

FISCAL IMPACT—None.

BACKGROUND

In July 2000, the City Council approved a 55,250 square foot, three-story building at the southeast corner of West Dana and Bryant Streets in Area H of the Downtown Precise Plan. The project included office space approved along a portion of the Bryant Street frontage and retail space designated along the entire length of West Dana Street with two floors of office above (Attachment 1).

In October 2001, staff approved a request for a Planned Community/Provisional Use Permit from Bryant Street Associates, LLC, on behalf of PayPal, to expand the office use along the entire Bryant Street frontage which wraps around the corner of West Dana Street, thereby reducing the retail space to 1,768 square feet in the area of the building closest to Wild Cherry Lane and Castro Street (Attachment 2). The permit was approved noting that the expanded office space was compatible with the residential uses along Bryant Street, and the resulting retail space was close to Castro Street and met the intent of the original Council approval to focus retail on the main cross streets. A condition was added that the space was only to be used by PayPal and would not be permitted to be subleased. If PayPal's office space needs should change and they no longer need the space, the expanded office area on West Dana Street would revert to retail use.

In July 2002, staff received an application from 303 Bryant Street, LLC, on behalf of PayPal, to convert the remaining 1,768 square foot tenant space to office. The applicant requested that this space be converted to office with the same restrictions applied to the October 2001 approval, as noted above. This request was withdrawn by the applicant.

Staff has received a new application from 303 Bryant Street, LLC, to convert this same remaining 1,768 square foot tenant space to office.

ANALYSIS

Area H of the Downtown Precise Plan is commonly known as the Historic Retail District. To support the desire for an active pedestrian environment, new development is required to provide active ground-floor retail and/or restaurant uses adjacent to the street. However, retail and restaurant space is allowed

to convert to office space with an approval of a Planned Community/Provisional Use Permit. The application from 303 Bryant Street, LLC, modifies the original Council approval for this building, where office was permitted along a portion of the Bryant Street frontage and retail/restaurant were anticipated along the entire West Dana Street frontage. The application being considered would convert the remaining ground-floor space to office and create a 100 percent office building.

A market feasibility study prepared in 1999 as part of Phase I of the Downtown Precise Plan update states that the focal point for retail space should be concentrated along Castro Street and once firmly established, the retail area can spread out to the major bisecting streets (such as West Dana Street). The property owner has been actively trying to lease the space to a retail or restaurant tenant for over a year and a half with no success. The applicant notes that the space is needed to accommodate the expansion needs of the sole building occupant, PayPal. The applicant is requesting that the Council approve this request with the same condition that was applied to their October 2001 approval.

This item is being forwarded to Council for their policy direction regarding the conversion of ground-floor space to office within Area H of the Downtown Precise Plan.

PUBLIC INPUT

On April 9, 2003, the Zoning Administrator held a public hearing on the application. There were no members of the public present for this item, and no other testimony was received.

CONCLUSION

Staff asks for Council's policy direction on the conversion of a 1,768 square foot tenant space for an office use. The goal of Area H of the Downtown Precise Plan is to be an active pedestrian spine with continuous active retail and restaurant uses along its length. This strategy is reinforced by requiring all new development to provide active ground-level retail and/or restaurant uses adjacent to the street. The original intent of the building was for a mixed-use building that would provide space for a variety of uses within the downtown area. However, the building is not located directly on Castro Street, the applicant has actively tried to lease this space for over a year and a half and the space is needed by an existing downtown business to accommodate their expansion needs. The applicant is willing to have conditions placed on the project that match the October 2001 approval tying this conversion only to PayPal with no allowance to sublease.

ALTERNATIVES

1. Because the applicant is having difficulty renting out the space and the application would meet the need of an existing downtown business, the City Council could approve the Planned Community/Provisional Use Permit in two different ways. The first way is by a condition that the office space is solely for the use by the primary building tenant, PayPal, and no subleasing of the space shall be permitted; and the second way would be to allow the conversion of space for office for a specified period of time. At the end of the specified time frame, the use of this space for office could be reevaluated. (Council would need to specify under which condition they approve of the conversion.)

The Council motion for either of these alternatives would be: Adopt A RESOLUTION TO APPROVE AN APPLICATION FOR A PLANNED COMMUNITY/PROVISIONAL USE PERMIT TO CONVERT 1,768 SQUARE FEET OF GROUND-FLOOR SPACE TO OFFICE AT 303 BRYANT STREET, to be read in title only, further reading waived. (See Attachment 4.)

2. The City Council could find that the conversion of space would not create a desired mix of uses within the downtown and could deny the Planned Community/Provisional Use Permit. The Council motion for this alternative would be: Adopt A RESOLUTION TO DENY AN APPLICATION FOR A PLANNED COMMUNITY/PROVISIONAL USE PERMIT TO CONVERT 1,768 SQUARE FEET OF GROUND-FLOOR SPACE TO OFFICE AT 303 BRYANT STREET, to be read in title only, further reading waived. (See Attachment 5.)

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PUBLIC NOTICING

Agenda posting and mailing to all property owners within 300' of the subject site.

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City Manager

WMcN/6/CAM
808-04-22-03M^

Attachments: 1. July 2000 Approval for a 55,250 Square Foot Office Building
 2. October 2001 Approval for Office Space
 3. Floor Plan for the Proposed Application
 4. Resolution Approving a Planned Community/Provisional Use Permit
 5. Resolution Denying a Planned Community/Provisional Use Permit

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CDD, DCDD, EDM, PP, ZA, File